

## Comparison of Reid and Hatch Proposals

	S. 3412 (Reid)		S. 3413 (Hatch)		Differences
	Provision	Extension	Provision	Extension	
2001/2003/2009 Tax Cuts	Temporarily extends the 2001/2003/2009 tax cuts for one year, through 2013, for income below \$200,000 (individuals) and \$250,000 (married filing jointly).	1 year, Expires Dec. 2013	Temporarily extends the 2001 and 2003 tax cuts for one year, through 2013. This would not extend the provisions from the 2009 stimulus bill (expanded child tax credit, expanded EITC and the American Opportunity Tax Credit).	1 year, Expires Dec. 2013	Reid’s bill would only extend the provisions for income below \$200,000/\$250,000, and includes the 2009 stimulus bill provisions (expanded child tax credit, expanded EITC and American Opportunity Tax Credit).
AMT	Temporarily patches the AMT for 2012 only.	1 year, Expires Dec. 2012	Temporarily patches the AMT for 2012 & 2013.	2 years, Expires Dec. 2013	One additional year of AMT patch.
Estate Tax	Reid’s bill provides for rates to change from their current levels of 35% and a \$5.0 MM exemption (indexed for inflation) to a \$1 MM exemption and a rate of 55%.	1 year, Expires Dec. 2013	Temporarily extends current estate tax relief which includes a \$5M exemption (indexed for inflation) and a 35% rate.	1 year, Expires Dec. 2013	According to an analysis from JCT, Reid's proposal will increase the number of estates hit from 3,600 to at least 46,700.
Dividends	Obama's proposal is a jump to 43.4% (39.6% + the 3.8% HI tax). Reid's bill is a jump to 23.8% (20%+ 3.8% HI tax).	1 year, Expires Dec. 2013	Temporarily extends current policy of 15%. Including the Obamacare HI tax of 3.8%, the top dividend rate will be 18.8%.	1 year, Expires Dec. 2013	Obama's proposal is a 189% tax hike. Reid's proposal is a 58.7% tax hike.
Section 179 Expensing	Temporarily increases Section 179 small business expensing amounts and threshold limits at \$250K/\$800K.	For tax years beginning in 2013	Extends Section 179 small business expensing amounts and threshold limits at \$500K/\$2 MM.	For tax years 2012 and 2013	Hatch bill allows businesses to expense 2x times what the Reid bill does, in addition to allowing a higher threshold limit. The Hatch bill allows for a threshold amount that is 2.5x higher than the Reid amount of \$800K.
Other Provisions	Refund and tax credit disregarded for means tested programs.	1 year, Expires Dec. 2013	Requires the Senate Finance Committee to report legislation within 12 months that is within its jurisdiction and accomplishes revenue neutral/negative tax reform with a top individual rate substantively below 35% and corporate rate at or below 25%, and permanently repeal AMT. Also includes direction to enact a territorial tax system.		Reid contains no provision for tax reform. Hatch bill does not contain anything for means tested programs.
Score (in billions)	\$249.7		\$404.9		\$155.2
Notes:	\$100.7 billion of the \$155.2 billion difference is attributable to the AMT patch for 2013.				